

State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

MARY ANN WRIGHT Acting Division Director JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

February 11, 2005

Mark Lopez Unico Incorporated 8880 Rio San Diego Drive 8th Floor San Diego, California 92108

Subject: Formal Approval of Notice of Intention to Commence Large Mining

Operations and Form and Amount of Reclamation Surety, Unico, Inc.,

Deer Trail Mine, M/031/003, Piute County, Utah

Dear Mr. Lopez:

On February 8, 2005, the Acting Director of the Division of Oil, Gas and Mining formally approved the form and amount of reclamation surety for Unico's Deer Trail Mine. The reclamation surety in the amount of \$136,100 is in the form of a Certificate of Deposit issued by Wells Fargo Bank. Copies of the fully signed and executed documents are enclosed for your files.

The Division hereby grants its final approval of your large mining notice of intention and the reclamation surety for the Deer Trail Mine. You may now begin mining operations as outlined in your large mining notice of intention as received January 19, 2005. A copy of that Notice has been stamped "approved" and is enclosed for your files.

If, in the future, you wish to modify your mining and reclamation plan, please furnish a redlined and strikeout version of the page(s) you wish to change. When the changes reach final approval, a clean version of the pages will need to be submitted to be incorporated into the approved plan. Please be advised that you must receive written approval prior to creating any disturbance beyond what is outlined in the January 19, 2005 plan.

We have also enclosed a copy of the letter sent to Wells Fargo Bank authorizing release of the \$19,000 CD #3106270 (originally issued by First Security Bank in December 2000). Those monies should be sent to you directly. The original Reclamation Contract and CD is enclosed for your disposal.

Mark Lopez Page 2 of 2 M/031/003 February 11, 2005

It is our understanding that the Forest Service is also authorizing release of the surety which they are presently holding for this site as the \$136,100 surety covers all disturbance, on both private and Forest Service lands.

Thank you for your help in finalizing this lengthy permitting action. Please call me if you have any questions in this regard.

Sincerely,

Daron R. Haddock Permit Supervisor

Minerals Regulatory Program

Q. Haddock

DRH:lk:jb

Enclosure: #1 -Reclamation Contract w/CD & #2 - approved Notice

#3 - original RC dated 12/20/00

cc: Dan Proctor, Unico w/Encl #1 & 2

Steve Winslow, USFS w/encl #1 & 2

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